



**UNIVERSITY
OF LJUBLJANA**

SEB

**School of Economics
and Business**



Cultural and business dynamics between China and the EU in the construction industry

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DAY 1



DAY 7



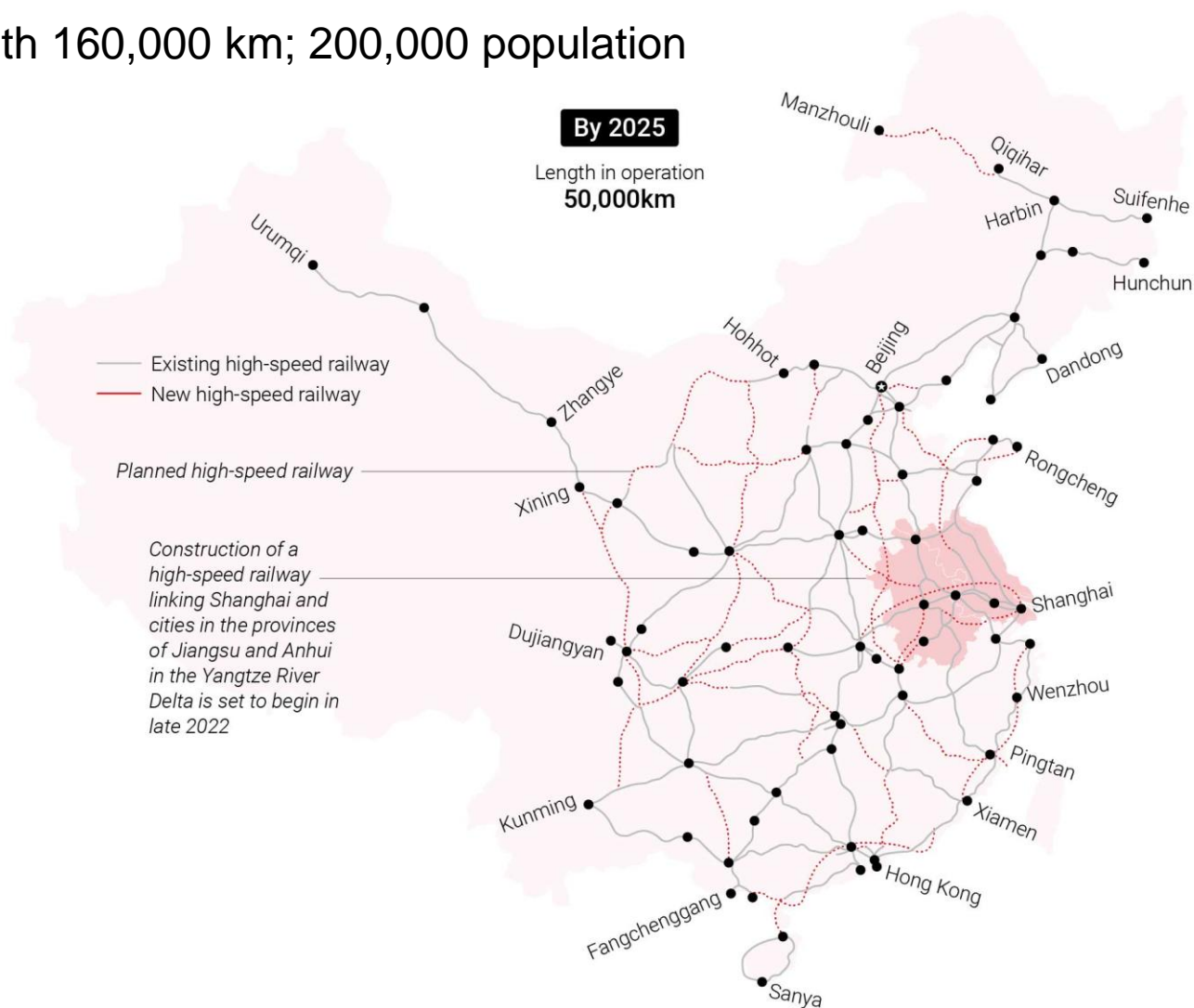
2008: High-speed railway between Beijing and Tianjin

2022: 40,000km (350km/h)

2025: 50,000km

2035: 200,000km

2020: highway length 160,000 km; 200,000 population



US Speed

VS

China Speed



**Starter segment of
California high-speed railway**

Length: **171 miles (275km)**

Estimated cost: **\$35 billion**

Construction time: **22-25 years**

(If the railway starts operation
on schedule in 2030 to 2033)



Beijing-Shanghai high-speed railway

Length: **1,318 km**

Cost: **220 billion yuan (\$31b)**

Construction time: **2 years 7 months**

GLOBAL
TIMES



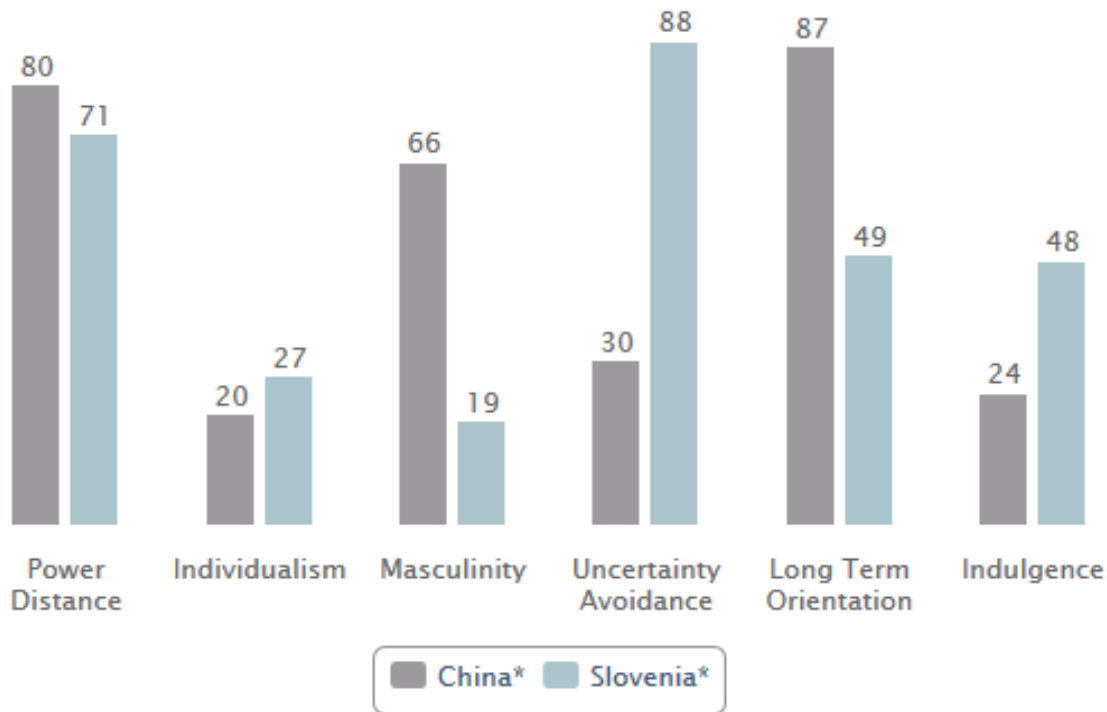
Sources: istimes.com, Xinhua.com,
huangpu.com, news.cntv.cn

The world's fastest builders: The secret to China's construction marvels

With 1,200 workers at any given moment, **government support** and drones, the Chinese company LongXin averages less than a wee' ✎ ✎_A floor, building entire neighborhoods in breakneck speeds; But what does this rapid progress look like up close?

Role of Government

China*
in comparison with Slovenia*



Central-planned institutional system: 1)

Central government

- Steering role of central government: macro-manager
 - Policies: Regional development policies; national urbanization strategies
 - Mechanism:
 - 1) **tax-sharing system**: **Decentralized** fiscal responsibility to local governments while **centralizing tax revenue**, pushing locals to find their own revenue sources (often **land leasing**).
 - 2) **Political Promotion**: Controls the promotion of local officials based on **performance metrics** like GDP growth and urban physical development, incentivizing aggressive expansion.
 - 3) **Land Use Rights**: Established the system for transferring land use rights, allowing the commodification of land.

Central-planned institutional system: 2)

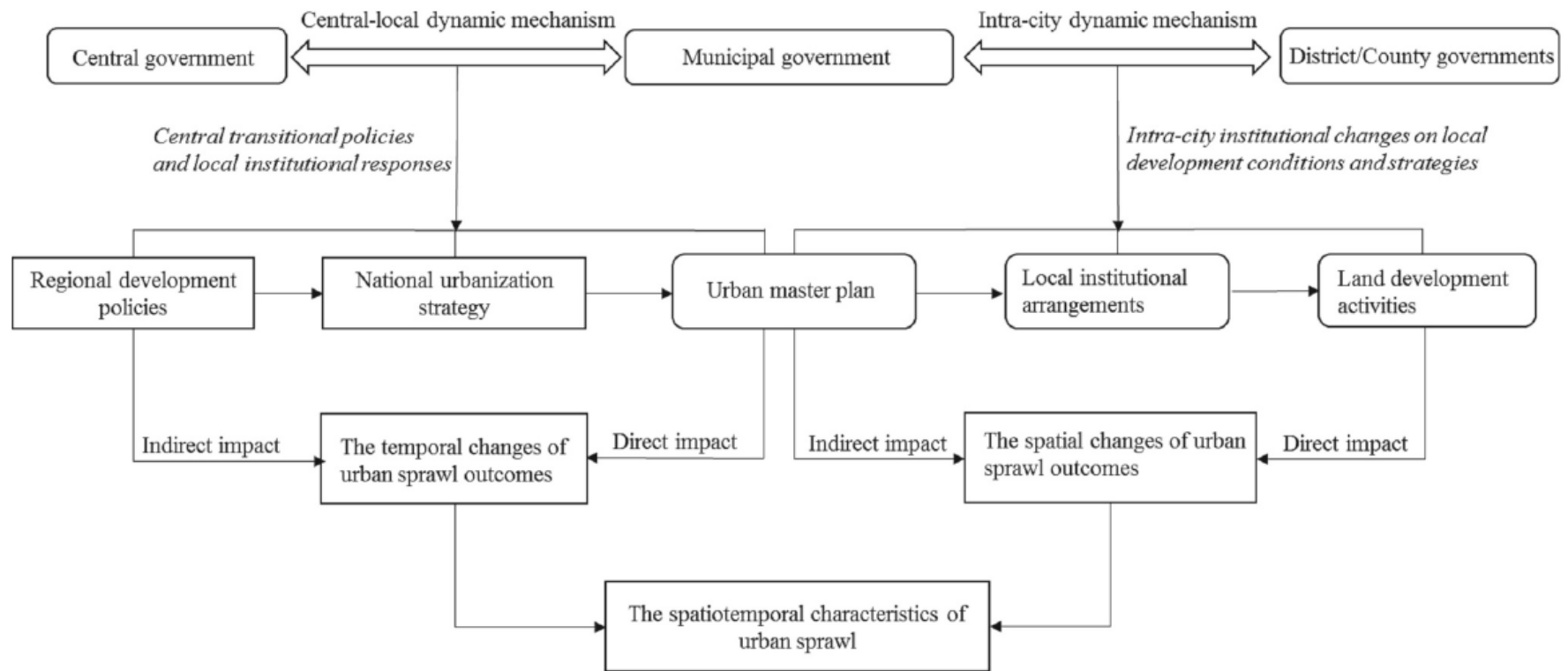
Municipal Government

- The "Local Developmental State" role, strategic intermediary, creating **Urban Master Plans** (e.g., Plan 1996, Plan 2010) to direct city-wide growth
- Key Mechanisms:
 - **Land Financial Regime:** Monopolizes the primary land market to generate "land finance" (revenue from land leasing) to fund infrastructure.
 - **Strategic Planning:** Designates specific zones for development (e.g., "Metropolitan Development Zone") to attract investment and central government support.
 - **Resource Allocation:** Allocates land quotas and development rights to lower districts.

Central-planned institutional system: 3)

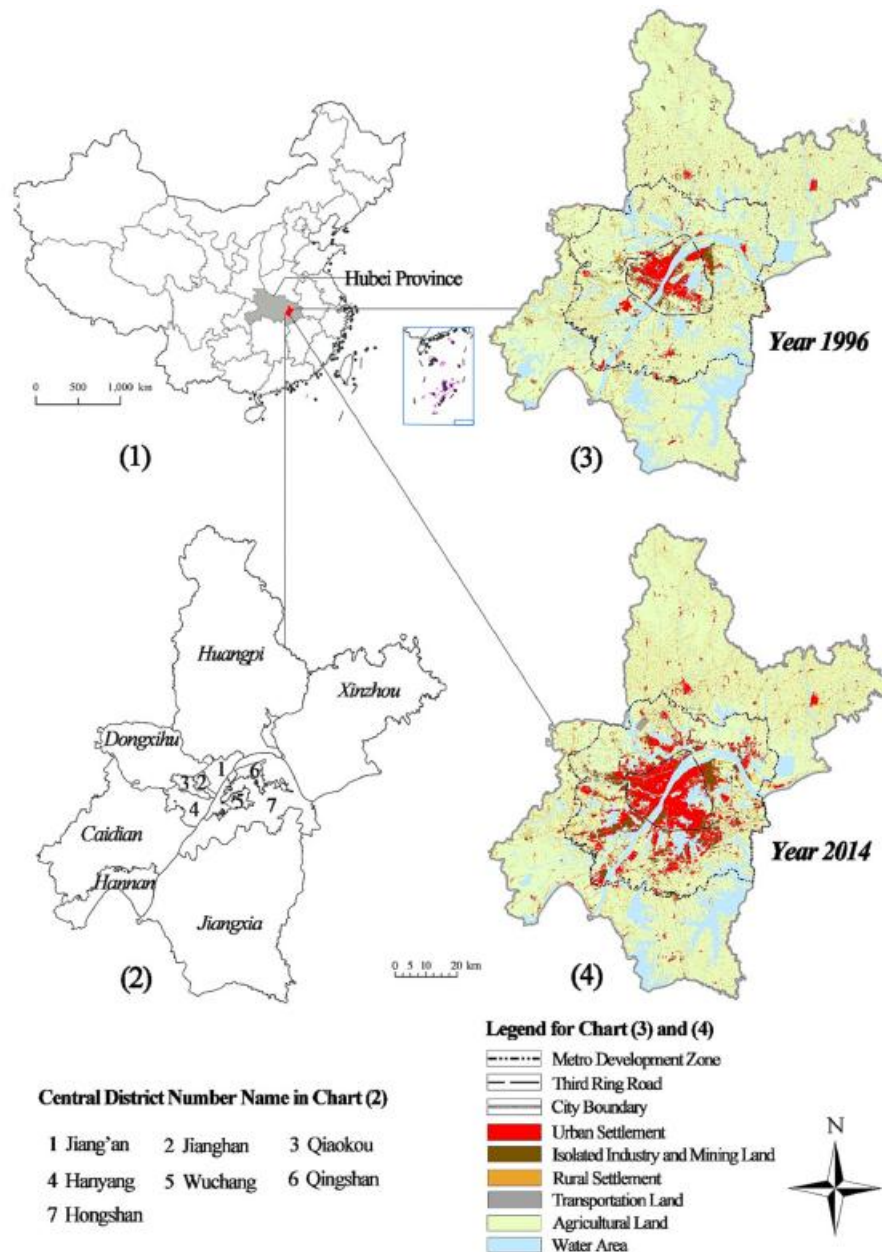
District/County Governments

- Role of Implementers & “intra-city” Competitors
- Key Mechanisms:
 - **Fiscal Aggression:** Because they face fiscal stress, they aggressively lease land for industrial and residential clusters to generate revenue, often exceeding the targets set by the Municipal Master Plan.
 - **Leapfrog Development:** They drive "leapfrog" sprawl by developing isolated industrial parks or residential communities in suburban areas to boost local GDP and tax revenue.
 - **Autonomy:** They possess regulatory, taxation, and licensing powers that allow them to make specific land use decisions that may diverge from the centralized plan.



Source: Zhu, J., Tu, Y., & Zhu, J. (2024). Institution-driven urban sprawl in China: Evidence from Wuhan. *Cities*, 148, 104899

- Case study: Wuhan
- Case study: Beijing-Tianjin-Hebei



Study area: geographical location (1), administrative division (2) and land use in 1996 (3) and 2014 (4) of Wuhan.
 Source: Wuhan Municipal Bureau of Natural Resources and Planning.